

Uniform Network Code Committee

Demand Estimation Sub-Committee Terms of Reference

1. Introduction

The Transportation Principal Document (TPD) Section H – Demand Estimation and Demand Forecasting provides for the “*Uniform Network Code Committee or any relevant Sub-committee*” to consider a number of matters relating to demand estimation. The Uniform Network Code Committee has established the Demand Estimation Sub-committee (DESC) to meet as necessary to fulfil the functions set out in TPD Section H.

UNC General Terms Section B 4.3.4 sets out the matters to be determined by a panel majority of the Uniform Network Code when establishing a Sub-Committee:

- a) Membership and manner of appointment of members;
- b) Basis of reporting to Uniform Network Code Committee, Users and Transporters;
- c) Procedures for the conduct of business.

2. Scope of Sub-committee

The following scope for the Sub-Committee is set-out in TPD Section H:

- a) Demand Model – Determination of the variables used and model composition using the methodology as reviewed and updated by any technical working group. (H1.3.1)
- b) Composite Weather Variable determination taking account of new weather experience including the derivation of formula, derivation of daily values and frequency of review. (H1.4.1, H1.4.2 and H1.4.3)
- c) Determination of seasonal normal values of the Composite Weather Variable, including making revised values available to Users and determination of frequency of review. (H1.5.2, H1.5.3 and H1.5.4)
- d) Determination of the minimum NDM Sample population and composition. (H1.6.5)
- e) Development or revision of the End User Category (EUC) definitions and Demand Models if necessary following technical analysis. (H1.7.1 & H1.7.2)
- f) Evaluation of EUC definitions and Demand Model performance including consultation with industry and the reviewing of representations made. (H1.8)
- g) Proposed revision of EUC definitions and Demand Models, and discussion of User and Transporter representations where revisions have been determined to be necessary. (H1.8.1 and H1.8.4)
- h) Any other particular issue that may arise in the development and/or revision of EUCs and Demand Models. (H1.8.6)
- i) Ensure that publication and consultation of any proposed changes is carried out in a timely manner (H1.9.1 and H1.9.2).
- j) Determine the 1in20 peak day demand. (H4.3.1)

- k) Establish (if required) technical working groups, which may be attended by the DESC Voting Members and/or their specific experts to undertake the detailed analysis and matters relating to the underlying methodology. Such groups will be responsible for:
- i. Defining statistical techniques used for the relevant analysis;
 - ii. Reviewing the demand estimation methodology and making any necessary changes, in particular emphasising that appropriate model composition will be determined during analysis;
 - iii. Defining decision making criteria through the technical analysis process and the position to be taken if change is not statistically and/or materially significant;
 - iv. Oversee any decisions that arise during analysis including data manipulation or exclusion;
 - v. Ensuring that transparency relating to all analysis is maintained, including access to relevant data used in the process; and
 - vi. Undertaking any other relevant ad-hoc analysis required.

3. Members and Appointment

- a) DESC Voting Members are those nominated by Users and Transporters.
- b) Each year a total of up to ten (10) voting members will be appointed comprising:
 - i. Users will nominate up to five (5) Voting Members; and
 - ii. Transporters will nominate up to five (5) Voting Members.

The Joint Office of Gas Transporters manages the process for the election of User Voting Members before the start of each Gas Year. Changes within year may be agreed by User members of the Uniform Network Code Committee.

Transporters will arrange their own nomination process with up to one (1) voting member from each Transporter (namely: National Grid NTS, National Grid Gas Distribution, Northern Gas Networks, Scotia Gas Networks and Wales & West Utilities)

- c) Attendance is open and the CDSP, as the service provider, is invited to send one or more representatives for information purposes.
- d) All meetings are chaired by the Joint Office of Gas Transporters, which also provides a secretary.
- e) Technical working groups, requiring specific expert knowledge, can be attended by relevant User and Transporter experts and the CDSP. These attendees are not required to be the Voting Members of the DESC. Consistency of membership for technical subject matter is preferred to ensure continuity of analysis.
- f) Any nominated alternate may hold the voting rights of the Voting Member they represent following formal written notification to the Joint Office of Gas Transporters of their alternate.

4. Basis for Reporting

The Joint Office of Gas Transporters, on behalf of the DESC, will report each month to the Uniform Network Code Committee, following the standard format used by the Uniform Network Code Workgroups except that:

- a) The Topic Status format is used to record progress on any specific issues that do not form part of the typical annual work plan (see Appendix).
- b) The Modification Status format is not used other than to highlight UNC Modifications that might impact the work of the DESC.
- c) The matters covered in the DESC minutes. The latter shall include a summary of the outcome of discussion of results from the work plan in accordance with the scope set out within TPD Section H of the Uniform Network Code, which is summarised in Section 2 above.
- d) Minutes of each meeting are made available to DESC Voting Members, all Users, members of the Uniform Network Code Committee and all other persons requesting copies.

5. Procedures for the Conduct of Business

The Code Administration Code of Practice shall apply to the conduct of the meetings wherever possible.

In principle, meetings shall be open to all, but the Chairman may exercise discretion to the extent permitted under the Code Administration Code of Practice.

The quorum adopted is at least four (4) Voting Members or their alternates, of which at least two (2) shall be Users and two (2) Transporters.

Voting Members are permitted to appoint alternates to attend on their behalf and a single alternate may represent more than one (1) Voting Member. Nominations of alternates should be made to the Joint Office of Gas Transporters in writing, or by e-mail, in advance of the meeting and may be on an enduring basis.

Where the meeting is quorate, all decisions shall be by simple majority of Voting Members or their nominated alternate. Where such agreement is not obtained, the Chairman shall submit the matter to the Uniform Network Code Committee for consideration.

Technical working groups requiring expert input may be expected to convene at short notice to assess analysis and make recommendations to the DESC Voting Members on progress or alternative investigations that may be required. Such meetings will be by necessity informal and may be conducted over email or by teleconference. In these cases all Representatives should be invited with a quorum of three (3) Voting Members or their alternates, of which two (2) shall be Users and one (1) a Transporter. A summary will be expected to be presented to the next scheduled DESC meeting for the record.

The Appendix sets out the typical work plan for each year and the standard agenda for Sub-committee meetings.

Commented [YRH1]: DESC TWG states *A Workgroup meeting will be quorate provided at least two (2) Transporter and two (2) User representatives are present.*

What is the correct quorum for TWG?

Appendix

Demand Estimation Sub-committee

Typical Work Plan for a year

Items included as determined appropriate:

- a) Re-evaluation of model smoothing
- b) Re-evaluation of NDM Sampling
- c) Analysis to determine End User Category definitions and Demand Model performance
- d) Determination/review of modelling methodology for profile analysis
- e) Consultation on analysis and any proposed revision of End User Category definitions and Demand Models during May-July
- f) Response to representations on End User Category definitions and Demand Models, and finalisation of any proposed revisions in July/early August
- g) Matters arising from the source of weather data such as changes in weather stations
- h) Any other analysis required to support methodology reviews and updates

Standard Agenda

- 1.0 Introduction**
- 2.0 Confirmation of Membership/Alternates and Apologies for Absence**
- 3.0 Review of Minutes**
- 4.0 Relevant UNC Modifications**
- 5.0 Progress of Work Plan**
- 6.0 Review of Work Plan**
- 7.0 Communication of Key Messages**
- 8.0 Review of Action(s) Outstanding**
- 9.0 Any Other Business**
- 10.0 Diary Planning**